

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2001-236

May 14, 2001

MAINE NATURAL GAS COMPANY,
Proposed Tariff Revision for
Promotional Allowances

ORDER

Welch, Chairman; Nugent and Diamond, Commissioners

I. SUMMARY

Maine Natural Gas Company's promotional allowance rate schedules comply with the requirements established in our prior order and may take effect immediately. However, the Company should file properly formatted, signed rate schedules as soon as practicable.

II. BACKGROUND

On April 2, 2001, Maine Natural Gas Company (MNG) filed its revised Schedule of Rebates with the Commission. MNG stated that the filing was in compliance with the requirements of our Order Approving Rate Plan in Docket No. 96-786, dated December 17, 1998.

In that Order, we permitted MNG to provide promotional allowances pursuant to Chapter 830(4) but required MNG to comply with the reporting requirements of the Rule and to file rate schedules describing the promotional allowances that will be offered. See Order Approving Rate Plan (Dec. 17, 1998) at fn. 9.

III. DESCRIPTION

MNG's filing includes three rate schedules designated as Statement No. PA-1 (revised), bearing an original effective date of October 15, 1999 and an effective date for the revision of April 2, 2001, and Statement Nos. 2001 PA-Residential and Non-Residential, both bearing an effective date of April 1, 2001.

Statement No. PA-1 is entitled Promotional Allowances, Schedule of Rebates. Originally, it stated that MNG would make available to customers in the Windham service area a rebate equal to the lesser of \$100 or the cost of conversion from an alternate fuel or installation of a natural gas fired appliance. The revised schedule corrects the company name (replacing CMP Natural Gas Company with MNG) and is expanded to include the Gorham Service Area.

Statement No. PA-Residential, a new rate schedule, indicates that MNG will make available to eligible customers in the Windham and Gorham service areas a

rebate of 50% of the actual conversion costs up to \$400 or a free installed natural gas dryer and up to \$100 installation allowance of the dryer. Similarly, the new Non-Residential schedule indicates that the company will make available to eligible customers in the Windham and Gorham service areas a rebate of 50% of the actual conversion costs up to \$1,000.

IV. ANALYSIS

Chapter 830 of the Commission's Rules governs treatment of Promotional Allowances. Section 4 requires that the Commission give explicit written approval of promotional allowance programs offered by gas and electric utilities. Our Order in Docket No. 96-786 satisfies this requirement, while requiring MNG to comply with the reporting requirements and to file rate schedules describing the promotional allowance that will be offered. MNG's April 2, 2001 filing complies with the latter requirement. The reporting requirements are fulfilled as part of the LDC's annual report to the Commission, filed each year by April 1.

We clarify, however, that we give no ratemaking assurances by allowing the Company to offer promotional allowance programs. Rather, any ratemaking decision will be governed by the provisions of Chapter 830 and our determination that ratepayers were not harmed by, or reasonably benefited from, the provision of these programs.

We also direct MNG to refile these rate schedules in the standard rate schedule format, including identifying them with page numbering as required in our rules and providing an original, signed schedule.¹ In addition, the Company should revise Page 18.0 Original of its general terms and conditions applying to all customers to reflect that new promotional allowance programs will not require prior approval by the Commission but will be described in filed rate schedules.²

Finally, we caution MNG that its activities must comply with the requirements of Chapter 820 of our Rules governing non-core services and other requirements of law.³

¹ Future rate schedule filings may take effect within the 30 days prescribed by section 307 unless the provisions require our further review.

² As with any utility rate or practice, however, they may be subject to further investigation pursuant to 35-A M.R.S.A. §1302 or §1303 as the Commission finds warranted.

³ MNG is advised to review our decision in *Northern Utilities, Inc., Request for Waiver of Chapter 820*, Docket No. 99-254, Order Adopting and Approving Stipulation (Oct. 11, 2000) (Northern required to transfer assets for service business activities to an unregulated subsidiary to offer Guardian Care, per call customer service, water heater rentals, conversion burner rentals, and equipment sales and/or installation.)

Accordingly, we

O R D E R

1. That Maine Natural Gas Company should file revised promotional allowance rate schedules as described in this order for immediate effect upon filing.

Dated at Augusta, Maine, this 14th day of May, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Nugent
 Diamond
COMMISSIONER ABSENT: Welch

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.